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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 09//08

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Yomiuri:

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- (1) Make utmost efforts to prevent chain of bankruptcies in aftermath of Lehman failure
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Akahata:

(1) Put end to casino-type capitalism

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, September 15

September 17, 2008

Spent the whole day at his official residence.

Prime Minister's schedule, September 16

NIKKEI (Page 2) (Full)
September 17, 2008

09:28

Met at the Kantei with Justice Minister Yasuoka, MHLW Minister Masuzoe, MAFF Minister Ota, National Safety Commission Chairman Hayashi, Consumer Administration Minister Noda, Chief Cabinet Minister Machimura, and Deputy Chief Cabinet Secretary Futahashi, followed by Defense Minister Hayashi, Vice Defense Minister Masuda, Machimura and Hayashi.

10:01

Attended a cabinet meeting, followed by a meeting of

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financial-affairs-connected cabinet ministers.

11:14

Attended an administrative spending examination meeting. Afterward met Noda.

12:12

Met Cabinet Intelligence Director Mitani, Deputy Chief Cabinet Secretary for Crisis Management Ito, followed by Futahashi.

14:27

Met incoming and outgoing Supreme Court Justices Sakurai and Yokoo.

15:02

Met Gunma Gov. Osawa, followed by Machimura.

16:43

Met Futahashi.

17:05

Met Defense Ministry Defense Policy Bureau chief Takamizawa, Defense Intelligence Headquarters chief Hokazono, and Mitani. Mitani stayed on. Afterward met Noda.

18:01

Returned to his official residence.

4) Fallout from Lehman Brothers' collapse continues: Funds injection by Japan, U.S., Europe totals 36 trillion yen in two days; Dollar temporarily tests 103 yen-range; Nikkei Stock Average records year-to-date low

NIKKEI (Top Play) (Lead para.)
September 17, 2008

The failure of Lehman Brothers, a major U.S. securities house, is sending shockwaves across markets around the world. The 225-issue Nikkei Stock Average on September lost more than 600 points on the Tokyo market, recording the lowest level in six months. Asian markets have also suffered sharp falls. Dollars were sold on the foreign exchange market. The selling spree sent the U.S. dollar to the 103-yen range. The central banks of Japan, the U.S. and Europe the same day injected funds worth over 23 trillion yen in order to quell market jitters. More than 36 trillion yen was injected in two days. European and U.S. markets opened broadly lower. The market continues to be shaky.

5) Uncertainty over AIG with six life, non-life insurers in Japan

NIKKEI (Page 3) (Full)
September 17, 2008

Uncertainty over American International Group Inc.'s (AIG) situation also will unavoidably affect its business in Japan. The company has

three life insurance and three non-life insurance companies in Japan. As of the end of March, AIG has concluded 9 million contracts for life insurance policies alone. The company received 2.5 trillion yen in life and non-life insurance premium revenues in fiscal 2007. If simply compared, its business scale is equivalent to that of Sumitomo Life Insurance Co., Japan's leading life insurer.

AIG's life insurance companies in Japan are Alico Japan, AIG Edison

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Life Insurance Co., and AIG Star Life Insurance Co. The company earns a total of 2.1 trillion yen, accounting for one-fourth of the total revenue earned by all life insurance businesses across the world. AIG has also non-life insurers in Japan, including AIU Insurance Co., American Home Insurance Co. These companies' businesses are firmly managed, as Nobuyasu Uemura, chief analyst at Rating and Investment Information Inc., said: "The group's contributions are rated high and stable."

6) Japanese banks may suffer losses totaling over 230 billion yen with 440 billion yen worth of loans to Lehman Brothers

NIKKEI (Page 3) (Excerpts)
September 17, 2008

Lehman Brothers Japan (Minato Ward, Tokyo), the Japanese arm of Lehman Brothers Holdings Inc., filed for bankruptcy protection yesterday with the Tokyo District Court. The business failure of the major U.S. securities firm is expected to hit not only the financial institutes and companies that are doing business with Lehman but even many areas in Japan, including individual investors and real estate companies investing their money in the company.

Leading banks, local banks, and insurance companies that have loan claims on Lehman Brothers and hold bonds issued by that company revealed the values of such assets yesterday. The total amount of their investments in and lending to Lehman exceeds 440 billion yen. Of this amount, more than 230 billion yen will not likely be covered by collaterals or transactions to avert losses.

The extent of the losses the Japanese firms will suffer in the end will depend on how Lehman Brothers will dispose of its holdings, but each financial institution will inevitably have to write off bad loans to the company. The disposal of losses related to Lehman will likely deal another blow to banks that have already been suffering from non-performing loans claims to domestic firms in the current worsened economic climate. Japanese leading financial institutions (six major banks and Nomura Holdings) disposed of nonperforming loans worth 1.4 trillion yen linked to the U.S. subprime mortgage crisis by the year that ended in June 2008.

7) Failure of Lehman Brothers: Japan's hands tied; Ministers rule out impact of bankruptcy

MAINICHI (Page 8) (Abridged slightly)
September 17, 2008

Following the bankruptcy of Lehman Brothers, a major U.S. securities house, the government on the morning of September 16 held an emergency cabinet meeting. Amid growing concern that the ensuing global stock plunge could deal a serious blow to the Japanese economy, Prime Minister Fukuda ordered ministers, "Take all possible measures to prepare for every situation." However, it is impossible for him to take drastic measures, as he has a lame-duck cabinet due to his recent announcement of his decision to step down, and the Liberal Democratic Party (LDP) presidential election campaign is now in progress. As such, participants just confirmed that as of this moment, no serious impact on Japan's financial institutions is expected, as State Minister for Financial Policy Motegi revealed. The meeting brought together Chief Cabinet Secretary Machimura, Finance Minister Ibuki, State Minister for Economic and Fiscal Policy Yosano as well as Motegi. Bank of Japan Governor Shirakawa

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also took part. Yosano said that participants agreed to consider what Japan can do for international cooperation.

However, measures that can be taken for the moment are limited to the BOJ boosting money-market liquidity and aiming to bring about economic pump-priming measures that include measures to help small- and medium-size businesses. However, whether the fiscal 2008 supplementary budget intended to finance the economic stimulus package will secure Diet approval in the next extraordinary session depends on when the next prime minister to be chosen in the LDP presidential election will dissolve the Lower House for a snap election.

8) Lehman Brothers collapses: Banks intensifying move to avoid risk; Market observers expects serious impact of failure of leading U.S. securities house

YOMIURI (Page 8) (Full)
September 17, 2008

Most market observers view the failure of Lehman Brothers, a leading U.S. securities firm, as serious. Banks had hoped that the U.S. would not allow the firm to fail because of its huge size. However, with their expectations let down, they are now increasingly taking a stance of avoiding any risks involved in the Lehman Brothers collapse. There is fear that economies throughout the world will lose momentum. If companies that are in a bind try to cut jobs in an effort to reduce expenses as much as possible, the unemployment rate would jump, adversely affecting personal consumption.

Nomura Securities Financial and Economic Research Center Economic Research Department chief Kiuchi pointed out: "There is a possibility of a recurrence of the financial problem that pushed up crude oil prices. The triple evil of the high yen, low stock prices, and high crude oil prices could apply further downward pressure on the Japanese economy, which has already entered a recessionary phase."

"The impact would not be deep"

State Minister for Economic and Fiscal Policy Yosano during a press conference on the 16th took an optimistic view about the impact of the failure of Lehman Brothers on Japan. He noted, "It is predictable that U.S.-bound exports will drop. But this has been expected since last year. It is unlikely that the failure of Lehman Brothers will have an immediate impact of any depth."

9) Global financial crisis likely to affect ruling coalition's strategy of holding early Lower House election

ASAHI (Page 1) (Full)
September 17, 2008

With Liberal Democratic Party (LDP) Secretary General Taro Aso gaining support from LDP Diet members and prefectural chapters for the Sept. 22 presidential election, Aso and Democratic Party of Japan (DPJ) President Ichiro Ozawa will likely fight the next House of Representatives election with an eye on the reigns of government. The opposition camp intends to bring up the tainted rice issue and ongoing global financial crisis as campaign issues. The developments of the financial crisis will likely have an impact on the ruling coalition's strategy of holding an early Lower House election.

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An Asahi Shimbun survey has found that Aso now has about 230 or 60 PERCENT of the 386 LDP lawmakers and 141 local votes. Aso, therefore, is certain to become the new LDP president. The ruling camp's election strategy is to dissolve the Lower House at the outset of the upcoming extraordinary Diet session to call a general election. Some in the LDP even hope for a general election on Oct. 26.

However, Lehman Brothers' bankruptcy, the tainted rice issue, and the pension-record mess have begun to have an impact on the ruling coalition's election strategy. DPJ Deputy President Naoto Kan said yesterday: "The present situation is that the government has abandoned its responsibility to respond to the global crisis." Opposition parties plan to call for closed-hearing sessions during the Diet recess in order to pursue the government and ruling camp.

The ruling camp, however, cannot ignore the situation. Aso yesterday questioned the U.S. government's response, saying: "I have serious questions about whether doing nothing and ignoring the situation is the best way to resolve the global crisis."

The New Komeito, the LDP's coalition partner, and its major backer, religious sect Soka Gakkai, have already prepared for the general election, with a Nov. 9 vote in mind. So, it is now difficult to delay the election until late November.

10) Lehman, tainted rice directly hit "political vacuum"

NIKKEI (Page 2) (Excerpts)
September 17, 2008

The failure of the U.S. major securities firm Lehman Brothers Holding Inc. and the illegal resale of tainted rice have directly hit Japan's "political vacuum." Even after announcing his resignation, Prime Minister Yasuo Fukuda has been busy dealing with critical events. Finding appropriate measures for them is becoming an issue in the ongoing LDP presidential race to determine a successor to Fukuda. But there is no silver bullet and the matter must be left to the next administration. Some in the ruling bloc have expressing concern that those issues will dampen plans to move up the next Lower House election to the ruling camp's favor.

Late at night on Sept. 15, the prime minister telephoned his secretary from his official residence to instruct him to set up a venue for concerned cabinet ministers to discuss a response to the Lehman issue the following morning. The prime minister strongly asked for the attendance of Bank of Japan Governor Masaaki Shirakawa.

Fukuda experienced many financial crises during his tenure as chief cabinet secretary. Before reporters on the evening of Sept. 16, Fukuda said: "It is necessary to grasp the situation and manage the economy and financial markets in close cooperation with other countries." His comment shows that there is no master plan other than watching the situation.

LDP presidential candidates cannot afford to ignore the situation, either. In a meeting on Sept. 16 with Machimura faction supporters, Secretary General Taro Aso said: "It is clear what will happen to the market economy if it is left as is." Economic and Fiscal Policy Minister Kaoru Yosano will skip today's LDP presidential election

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speech meeting in Okayama. In yesterday's open discussion held by the LDP Youth Bureau, former Policy Research Council Chairman Nobuteru Ishihara commented: "The dire situation has resulted from lending money to parties that did not deserve it." Former Defense Minister Yuriko Koike said: "I am shocked by the failure of Lehman."

Although one can take great satisfaction in criticizing the U.S.-model market principles, what Japanese politics can do about the global financial turmoil is limited. Some have indicated that the country's food safety, which is again at risk, is far more serious.

The Agriculture, Forestry and Fisheries Ministry's explanation on the evening of Sept. 15 that it has failed to clarify the names of companies involved in the resale of tainted rice enraged the prime minister. He immediately ordered the ministry to produce a complete list of companies involved in the illegal resale. As a result, the ministry revealed on Sept. 16 the names of companies that distributed tainted rice via Mikasa Foods. Although all opposition

parties have condemned the bureaucracy for dereliction of duty, hardly anyone has mentioned lawmakers' failure to take steps to prevent such a case.

Policy Research Council Chairman Kosuke Hori on Sept. 16 called in the policy officers of the five LDP presidential candidates and asked them to actively take up the Lehman and tainted rice issues.

11) Government denies impact of U.S. financial crisis, while focusing on handling of supplementary budget

TOKYO (Page 2) (Full)
September 17, 2008

With the bankruptcy of the U.S. securities house Lehman Brothers, the government, eager to wipe away domestic anxieties, has called for a cool-headed response from the nation. Although it is anticipated that public opinion would clamor for measures to prop up Japan's economy, the Fukuda administration is already on its last legs. With the prospects of a Lower House dissolution and snap election bearing down, there is no environment being built for the next administration to immediately tackle a package of economic stimulus measures.

In the extraordinary Diet session set to convene of Sept. 24, the administration will directly face the issue of what to do about the fiscal 2008 supplemental budget bill that includes a comprehensive economic package, when setting the timing for Diet dissolution. Prime Minister Yasuo Fukuda, speaking to the press core at the Kantei, his official residence, called for a cool-headed response: "The impact on financial institutions here is not that great. Instead, it is somewhat small. Calm responses are being sought." He then added: "It is important to properly deal with the supplementary budget."

Chief Cabinet Secretary Machimura also told the press corps: "The effect on domestic financial institutions and their customers is very limited." Although State Minister for Economic and Fiscal Policy Yosano denied that there would be a major impact (from the U.S. financial crisis), he put off attending the LDP presidential campaign rally today in order to devote his time to handling the issue. At a meeting of LDP supporters, LDP Secretary General Aso

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said: "There will be a major impact on the Japanese economy. Right now, the number one priority is measures to stimulate the economy." He stressed the need to quickly deal with a package of economic measures.

On the other hand, Democratic Party of Japan Vice President Naoto Kan at a party meeting lashed out at the government and the LDP, saying, "There is no response at all to the global crisis. They are abandoning their responsibility."

12) Japan Desk: U.S. hopes for continued refueling

YOMIURI (Page 4) (Full)
September 17, 2008

Satoshi Ogawa

WASHINGTON-Daniel Russel, the newly appointed director for Japanese affairs (Japan Desk) at the U.S. Department of State, told the Yomiuri Shimbun in an interview on Sept. 15 that Afghanistan and Iraq are of "extremely high priority" among current international issues in connection with the United States' hopes for Japan's international contributions. Regarding the Maritime Self-Defense Force's refueling activities in the Indian Ocean, Russel stated: "In addition to substantial effectiveness, they have an extremely symbolic and political meaning for Japan. I know there is political strife in Japan, but we strongly hope the Japanese government and people will continue the activities or find ways to resume them (if discontinued)."

Russel also said, "If the political situation in Japan becomes a

little clearer and if a government that can properly take action appears, we will be happy." With this, he implied that the U.S. government was increasingly concerned about the Japanese government's declining ability to translate its policies into action as the Diet has been divided since the summer of last year with the ruling parties holding a majority of the seats in its lower chamber and the opposition parties dominating its upper chamber.

13) Kantei probing into MSDF's delayed reporting on sub intrusion

ASAHI (Page 4) (Full)
September 17, 2008

Chief Cabinet Secretary Machimura, meeting the press yesterday, raised a question about the Maritime Self-Defense Force's recent action upon its destroyer's spotting of a submarine of unknown nationality in Japan's territorial waters. "We're now probing into this since I think there might have been some problem about the time it took until the report came in to the Kantei (prime minister's office) after they spotted something like a periscope," Machimura said. The MSDF took 1 hour and 40 minutes to touch base with a secretary of the prime minister to report on the submarine's intrusion after confirming its periscope. Machimura indicated that the Kantei would look into the communication arrangements. He also revealed that the MSDF had discontinued its search for the submarine yesterday at 3 p.m.

14) Aso locks up majority

ASAHI (Page 4) (Full)
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According to the Asahi Shimbun's coverage of the situation in the ruling Liberal Democratic Party's ongoing presidential election, LDP Secretary General Taro Aso is now certain to win the race with a majority of votes for him in the first ballot. Kaoru Yosano is expected to garner nearly 50 votes, outpacing three other candidates—Yuriko Koike, Nobuteru Ishihara, and Shigeru Ishiba.

Among the LDP's 386 lawmakers in both houses of the Diet, Aso has now locked up around 70 PERCENT of the Machimura faction, the largest faction in the LDP, and more than 50 PERCENT of the Koga faction and nearly 90 PERCENT of the Ibuki, Nikai, and Koumura factions. Aso has also gained support from about 40 PERCENT of the Tsushima faction, from which Ishiba is running. Aso has secured support from about 30 PERCENT of the party's unaffiliated lawmakers, and about 60 PERCENT of all LDP lawmakers are backing him.

Aso is gathering momentum among the LDP's local chapter executives (adding up to 141 votes) as well. Its local chapters in the prefectures of Miyagi, Gumma, and Oita, which said "no idea" as the campaign was in its initial phase, have now indicated that they will cast their respective three votes for Aso. Miyazaki Prefecture, which has switched from the d'Hont formula, will also cast its three votes for Aso.

Former Prime Minister Koizumi has now clarified his support for Koike. However, Koike does not appear to be gaining broad support among the LDP's local leaders across the nation. Kanagawa Prefecture, which is Koizumi's home turf, is also expected to cast its three votes for Aso.

15) Okazaki City sends protest note to Aso over gaffe

YOMIURI (Page 37) (Full)
September 17, 2008

The ruling Liberal Democratic Party's Secretary General Aso, currently running in his party's presidential election, upset the Aichi prefectural cities of Okazaki and Anjo with his recent gaffe in a campaign speech he made in front of JR Nagoya Station on Sept. 14. In the stumping speech, Aso, referring to a heavy rainfall that

had hit the two cities' area in late August, said: "The heavy rainfall in Okazaki recorded 140 mm per hour. It was Anjo and Okazaki, so that's good. But if that had happened in Nagoya, all this area would have been under water." The cities of Okazaki and Anjo sent letters of protest to Aso yesterday.

The letter of protest sent from Okazaki City is under the joint signatures of Deputy Mayor Masaru Ishikawa, acting for the mayor, and Municipal Assembly Speaker Masahiro Yamamoto. The letter notes: "The heavy rainfall caused an unprecedented disaster, including two victims. Our recovery efforts are still going on. The remarks were inappropriate and inconsiderate."

16) Koizumi encourages Koike camp

NIKKEI (Page 2) (Abridged slightly)
September 17, 2008

Former Prime Minister Junichiro Koizumi had lunch yesterday at a Tokyo Italian restaurant with former Defense Minister Yuriko Koike,

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an LDP presidential candidate, and others. Koizumi gave Koike this advice: "A bigger battlefield awaits. You should deal with the race as one step in the process, a good experience."

Touching on his failure to win the presidency in his first attempt, Koizumi also said: "That made me who I am today. People on your side might become your enemies someday. People criticizing me became my powerful supporters later on. That's the political world. You shouldn't pay too much attention to people criticizing you."

Meanwhile, the Machimura faction, to which Koike belongs, launched an election campaign headquarters yesterday morning for Secretary General Taro Aso. Chief Cabinet Secretary Nobutaka Machimura, who heads the faction, declared: "Let us build a system for the Seiwaken (Machimura faction) to faithfully back Mr. Aso till the end." Aso received a letter of recommendation with the signatures of 60 lawmakers, or 70 PERCENT of the faction's members.

17) Ota to be reelected as New Komeito leader

YOMIURI (Page 4) (Full)
September 17, 2008

Unchallenged by other candidates, Akihiro Ota was assured yesterday that he would remain leader of the New Komeito. The 62-year-old Ota's reelection will be formally endorsed at a party convention scheduled for Sept. 23. At a press conference after his reelection was assured, Ota expressed eagerness for adding some more Diet seats to his party's present 31, citing victory in the House of Representatives election as the top priority for his second term as party head.

Ota will serve as head of the New Komeito through September 2010. He is expected to retain key party executives, including Secretary General Kazuo Kitagawa and Policy Research Council Chairman Natsuo Yamaguchi.

Ota, at the press conference, stressed that he would do his best to increase the party's presence in the next Lower House election. He stated: "I will make clear our party's stance of supporting the daily lives of people." He also took a position of stepping up his party's demands toward its coalition partner, the Liberal Democratic Party (LDP). He said that the relations between his party and the LDP have grown mature.

When asked by reporters about the rumor that Democratic Party of Japan (DPJ) President Ichiro Ozawa may run from the Tokyo No. 12 district, which he represents, Ota said: "I will win the election at any cost."

New Komeito's executives have accelerated preparations for the general election and they plan to finish up before the end of September the compilation of a manifesto (set of campaign pledges)

for the next Lower House election.

18) JCP announces it will file 138 candidates for Lower House election, half of its usual number

YOMIURI (Page 4) (Excerpts)
September 17, 2008

The Japanese Communist Party (JCP) announced yesterday that it plans

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to field 138 persons for the next House of Representatives election as candidates to run in the single-seat constituency race. Although the JCP has said that it will add some more candidates, the number of the JDP candidates will likely be reduced by half from the 275 it ran in the 2005 Lower House race. Since it is predicted that many votes in electoral districts for which the JCP has not yet fielded any candidates would go to candidates on the Democratic Party of Japan's (DPJ) ticket, the reduction in the JCP candidates is certain to affect the results of the general election.

JCP Head of the Secretariat Tadayoshi Ichida explained the reason for his party's decision to cut its candidates to reporters yesterday: "It is desirable for us to devote the utmost effort for the proportional representation segment race. It means we will carry out a realistic election."

A deposit for candidacy in a single-seat constituency is 3 million yen. If a candidate fails to secure 10 PERCENT of the votes, the deposit will be forfeited. Therefore, another reason is that the JCP wants to reduce its financial costs.

The JCP's reduction in its candidates will have a major impact on other parties. Because if votes in 162 electoral districts, for which the JCP has not yet fielded its candidates, go to DPJ candidates, there will be a great change in which party wins in the single-seat constituencies.

The ruling Liberal Democratic Party (LDP) has become increasingly alarmed, with one member saying: "We will have a close contest with the DPJ in every electoral district. It is not good that JCP votes will go to the DPJ." A midlevel LDP member pointed out: "We should attract conservative voters by asking them whether they want to entrust the political helm to the DPJ, which cooperates with the JCP."

19) DPJ, PNP in final coordination for merger in bid to take reins of government under Ozawa's leadership; Decision next week

NIKKEI (Page 2) (Abridged slightly)
September 17, 2008

The Democratic Party of Japan and the People's New Party yesterday undertook coordination to finalize their plan to merge the two parties. The plan is being implemented under the leadership of DPJ President Ichiro Ozawa, who is determined to take the reins of government through the next Lower House election. But because there are some objections in the PNP, the two parties will discuss conditions for reaching a conclusion early next week.

After his meeting with PNP representative Tamisuke Watanuki in the Diet building on Sept. 16, Ozawa said to Watanuki, "Let us join hands again." Although the two leaders did not touch on the possible merger in their talks, the DPJ had conveyed the plan to the PNP behind the scenes. DPJ Secretary General Yukio Hatoyama told reporters in Tokyo on the same day, "(The merger) is one of the strong options." Ozawa, Hatoyama and others are scheduled to exchange views today to make a formal proposal before long.

In response to Ozawa's proposal, the PNP last evening held a general meeting of its Diet members from both chambers and discussed the matter. Although many endorsed the plan, some expressed concern that the party's policies would sink into insignificance after the

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merger. As such, the party has decided to re-discuss the matter after receiving a formal proposal from the DPJ. Meanwhile, Watanuki also met Takeo Hiranuma, who does not belong to any party, in Tokyo and gave up the idea of forming a joint parliamentary group before the next Lower House election.

Ozawa's move to merge with the PNP comes from the hope to push ahead with coordination for overlapping constituencies with the party with the aim of winning total support from the postal policy study group that backs the PNP. Ozawa also apparently plans to win "third forces" to the DPJ's side in advance in order to turn the political situation after the election in the DPJ's favor.

20) Lower House Speaker Kono to retire from politics

NIKKEI (Page 2) (Abridged)
September 17, 2008

Lower House Speaker Yohei Kono, 71, has now decided not to run in the next Lower House race and to retire from politics after the current term, a senior LDP lawmaker revealed yesterday. Kono, who represents the Kanagawa No. 17 constituency, currently does not belong to the LDP as the Lower House speaker. Work to select his successor is underway centering on the LDP's Kanagawa chapter.

Kono was born in 1937 to former agriculture minister Ichiro Kono. He left the LDP after criticizing it for its money-oriented nature in the wake of the Lockheed scandal and launched the now-defunct New Liberal Club. He returned to the LDP in 1986, and served as president of the LDP when it was an opposition party in 1993.

In January 1994, he, along with then Prime Minister Morihiro Hosokawa, played a central role in reaching an agreement on revising political-reform-connected bills featuring the introduction of single-seat constituencies and proportional representation. In the same year, the LDP became a ruling party by making Socialist Party lawmaker Tomiichi Murayama prime minister, and Kono later served as deputy prime minister and foreign minister. He gave up seeking a second term in the 1995 LDP presidential race and became the only LDP president not to become prime minister.

Known as a dove and a defender of the Constitution, Kono remained cautious about supporting the United States even after then Prime Minister Junichiro Koizumi announced that Japan would back the United States in the Iraq war. He became Lower House speaker in November 2003.

SCHIEFFER